

Message Text

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PAGE 01 STATE 147693
ORIGIN AGRE-00

INFO OCT-01 ARA-14 ISO-00 EB-07 AID-05 L-03 IGA-02
COME-00 /032 R

DRAFTED BY USDA/ G POPE: J M
APPROVED BY EB/OF/FFD:RMOGDEN
USDA;OGSM;PL480: G POPE (DRAFTER)
USDA;OGSM;CCC: G SHANKLIN
USDA:FAS: N J PETTIPAW
USDA:FAS: E R BEVIS
HAITI DESK: DE SANTILLANA
-----078963 241934Z /50

P 241851Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY PORT AU PRINCE PRIORITY

UNCLAS STATE 147693

E.O. 11652: N/A

TAGS: EAID, HA

SUBJECT: POSSIBLE DISPLACEMENT OF COMMERCIAL SALE BY
TITLE I PL 480

REF: PORT AU PRINCE 2165

1. RIVIANA FOODS HAS APPROACHED USDA CONCERNING SITUATION
IN WHICH GOH APPARENTLY IS REFUSING TO HONOR COMMERCIAL
EXPORT CONTRACT FOR APPROXIMATELY 3,000 MT OF RICE BECAUSE
OF TITLE I, PL 480 RICE PROGRAM.

2. DETAILS AS FURNISHED BY RIVIANA ARE:

(A) COMMERCIAL SALE WAS NEGOTIATED IN MID-APRIL FOR
70,000 BAGS OF US NO. 5, 20 PERCENT BROKENS TO THE GOH,
DEPARTMENT OF COMMERCE AND INDUSTRY FOR PROMPT SHIPMENT.
THE AGENT IN HAITI WAS EDOUARD HAKIME OF GENERAL TRADING
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CO.

(B) BASED ON FIRM SALE AND IMPORT LICENSE NO. 1727 ISSUED
APRIL 26 BY THE SECRETARY OF COMMERCE AND INDUSTRY,
RIVIANA CHARTERED A VESSEL FOR MAY 26 SAILING; HOWEVER,
THE GOH HAS FAILED TO ESTABLISH AN APPROPRIATE LETTER OF
CREDIT (L/C).

(C) RIVIANA HAS BEEN INFORMED BY BOTH NATIONAL BANK AND MINISTRY OF COMMERCE THAT L/C WILL NOT BE OPENED AT THIS TIME BECAUSE OF CURRENT PL 480 RICE SHIPMENTS.

3. THESE ALLEGATIONS, IF TRUE, PRESENT SEVERAL PROBLEMS:

(A) PL 480 LEGISLATION (SECTION 103(C)) PROVIDES THAT PL 480 SALES NOT INTERFERE WITH OR DISRUPT NORMAL COMMERCIAL TRANSACTIONS. ALSO, SECTION 103(N) PROVIDES THAT SALES FOR DOLLARS ON CREDIT TERMS SHALL NOT DISPLACE ANY COMMERCIAL US SALES. A SITUATION SUCH AS THIS THEREFORE CAUSES LEGITIMATE CONCERNS BY PROGRAM MANAGERS.

(B) SUCH INCIDENTS ARE EXTREMELY COSTLY TO ALL PARTIES. RIVIANA REPORTEDLY HAS ALREADY INCURRED SOME \$166,000 IN DEMURRAGE AND CONTRACT CANCELLATION CHARGES. THE GOH RISKS THE LOSS OF COMMERCIAL INTEGRITY WHICH WILL BE REFLECTED IN A TANGIBLE WAY; I.E., IN THE FUTURE, QUOTED PRICES FOR ALL IMPORTS WILL PROBABLY BE HIGHER, REFLECTING AN ADDED "RISK FACTOR."

4. WHILE WE ARE UNABLE TO OFFER ANY "SOLUTIONS" TO THIS PROBLEM, WOULD APPRECIATE YOUR PROMPT REVIEW WITH APPROPRIATE GOH OFFICIALS. IF ALLEGATIONS PROVE CORRECT, ASCERTAIN GOH INTENTIONS TO HONOR RIVIANA CONTRACT.
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ADVISE. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: RICE, TRADE COMPLAINTS, CONTRACTS, PL 480 TITLE 1
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: J M
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770227-0108
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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SAS ID: 2043222
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TAGS: EAID, ETRD, BDIS, HA, US, RIVIANA INTERNATIONAL INC
To: PORT AU PRINCE
Type: TE
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